

NEWS RELEASE

FOR RELEASE _____

Cline, DeVries & Allen, LLP today released an audit report on the City of Ogden, Iowa.

The City's receipts totaled \$1,470,986 for the year ended June 30, 2009, a 6 percent increase from 2008. The receipts included \$522,705 in property tax, \$328,626 from charges for service, \$350,277 from operating grants, contributions and restricted interest, \$5,287 from capital grants, contributions and restricted interest, \$141,039 from local option sales tax, \$23,395 from unrestricted investment earnings and \$99,657 from other general receipts.

Disbursements for the year totaled \$1,371,365 a 3 percent decrease from the prior year, and included \$279,090 for business type activities, \$282,287 for public works, and \$315,532 for public safety.

A copy of the audit report is available for review in the City Clerk's office.

CITY OF OGDEN
INDEPENDENT AUDITORS' REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS

JUNE 30, 2009

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City of Ogden

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Mark Trueblood	Mayor	Jan 2010
Brian Reimers	Council Member/Mayor Pro tem	Jan 2010
Lyle Conklin	Council Member	Jan 2010
Lori Anderson	Council Member	Jan 2012
Margaret Liston	Council Member	Jan 2012
Sean Thompson	Council Member	Jan 2012
Kimberly Claypool	Administrator/Clerk	Indefinite
Lee Johnson	Attorney	Indefinite

City of Ogden

CLINE, DeVRIES & ALLEN, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Phone: 515-252-7141 FAX: 515-252-7073

Independent Auditors' Report

To the Honorable Mayor and
Members of the City Council:

We have audited the accompanying primary government financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Ogden, Iowa, as of and for the year ended June 30, 2009, which collectively comprise the City's primary government financial statements listed in the table of contents. These primary government financial statements are the responsibility of the City of Ogden's management. Our responsibility is to express opinions on these primary government financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As described in Note 1, these primary government financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate. Such legally separate entities are referred to as component units.

In our opinion, the primary government financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Ogden as of June 30, 2009, and the respective changes in cash basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated August 14, 2009 on our consideration of the City of Ogden's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The City has not presented Management's Discussion and Analysis which introduces the primary government financial statements by presenting certain financial information as well as

management's analytical insights on that information that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the primary government financial statements.

Budgetary comparison information on pages 21 through 23 is not a required part of the primary government financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the primary government financial statements that collectively comprise the City of Ogden's primary government financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the primary government financial statements for the five years ended June 30, 2008 (which are not presented herein) and expressed unqualified opinions on those financial statements which were prepared in conformity with an other comprehensive basis of accounting. Other supplementary information included in Schedules 1 through 5, is presented for purposes of additional analysis and is not a required part of the primary government financial statements. Such information has been subjected to the auditing procedures applied in our audit of the primary government financial statements and, in our opinion, is fairly stated in all material respects in relation to the primary government financial statements taken as a whole.

Cline DeVries & Allen, LLP
August 14, 2009
Ames, Iowa

City of Ogden

Basic Financial Statements

City of Ogden

Statement of Activities and Net Assets – Cash Basis

As of and for the year ended June 30, 2009

		Program Receipts		
			Operating Grants, Contributions, and Restrictcd Interest	Capital Grants, Contributions and Restricted Interest
	Disbursements	Charges for Service		
Functions/Programs:				
Governmental activities:				
Public safety	\$ 315,532	8,044	81,659	-
Public works	282,287	27,279	183,361	-
Health and social services	14,350	-	10,000	-
Culture and recreation	222,061	26,247	72,257	-
Community and economic development	27,883	830	3,000	5,287
General government	149,455	-	-	-
Debt service	39,992	-	-	-
Capital projects	40,715	-	-	-
Total governmental activities	1,092,275	62,400	350,277	5,287
Business type activities:				
Sewer	273,710	257,740	-	-
Storm water	5,380	8,486	-	-
Total business type activities	279,090	266,226	-	-
Total	\$ 1,371,365	328,626	350,277	5,287
General Receipts:				
Property tax levied for:				
General purposes				
Employee benefits				
Debt service				
Utility franchise tax				
Local option sales tax				
Unrestricted interest on investments				
Dividend				
Miscellaneous				
Rent				
Sale of fixed assets				
Transfers				
Total general receipts and transfers				
Change in cash basis net assets				
Cash basis net assets beginning of year				
Cash basis net assets end of year				
Cash Basis Net Assets				
Restricted:				
Streets				
Debt service				
Other purposes				
Unrestricted				
Total cash basis net assets				

See notes to financial statements.

Net (Disbursements) Receipts and Changes in Cash Basis Net Assets		
Governmental Activities	Business Type Activities	Total
(225,829)	-	(225,829)
(71,647)	-	(71,647)
(4,350)	-	(4,350)
(123,557)	-	(123,557)
(18,766)	-	(18,766)
(149,455)	-	(149,455)
(39,992)	-	(39,992)
(40,715)	-	(40,715)
(674,311)	-	(674,311)
-	(15,970)	(15,970)
-	3,106	3,106
-	(12,864)	(12,864)
(674,311)	(12,864)	(687,175)
393,333	-	393,333
128,944	-	128,944
428	-	428
9,373	-	9,373
141,039	-	141,039
10,752	12,643	23,395
58,534	-	58,534
21,530	-	21,530
10,220	-	10,220
-	-	-
-	-	-
774,153	12,643	786,796
99,842	(221)	99,621
408,416	435,614	844,030
\$ 508,258	435,393	943,651
\$ 89,463	-	89,463
-	-	-
-	-	-
418,795	435,393	854,188
508,258	435,393	943,651

City of Ogden

Statement of Cash Receipts, Disbursements and Changes in Cash Balances
Governmental Funds

As of and for the year ended June 30, 2009

	General	Special Road Use Tax	Revenue Employee Benefits	Other Nonmajor Governmental Funds	Total
Receipts:					
Property tax	\$ 393,333	-	128,944	428	522,705
Other city tax	150,412	-	-	-	150,412
Licenses and permits	1,530	-	-	-	1,530
Use of money and property	70,972	-	-	-	70,972
Intergovernmental	55,262	167,848	-	-	223,110
Charges for service	23,370	-	-	-	23,370
Miscellaneous	194,553	-	-	5,465	200,018
Total receipts	889,432	167,848	128,944	5,893	1,192,117
Disbursements:					
Operating:					
Public safety	315,532	-	-	-	315,532
Public works	66,276	216,011	-	-	282,287
Health and social services	14,350	-	-	-	14,350
Culture and recreation	222,061	-	-	-	222,061
Community and economic development	27,883	-	-	-	27,883
General government	149,455	-	-	-	149,455
Debt service	-	-	-	39,992	39,992
Capital projects	-	-	-	40,715	40,715
Total disbursements	795,557	216,011	-	80,707	1,092,275
Excess (deficiency) of receipts over (under) disbursements	93,875	(48,163)	128,944	(74,814)	99,842
Other financing sources (uses):					
Sale of fixed assets	-	-	-	-	-
Operating transfers in	128,944	-	-	110,279	239,223
Operating transfers out	(90,279)	(20,000)	(128,944)	-	(239,223)
Total other financing sources (uses)	38,665	(20,000)	(128,944)	110,279	-
Net change in cash balances	132,540	(68,163)	-	35,465	99,842
Cash balances beginning of year	135,822	157,626	-	114,968	408,416
Cash balances end of year	\$ 268,362	89,463	-	150,433	508,258
Cash Basis Fund Balances					
Reserved:					
Debt service	\$ -	-	-	-	-
Unreserved:					
General fund	268,362	-	-	-	268,362
Special revenue funds	-	89,463	-	-	89,463
Capital projects funds	-	-	-	86,095	86,095
Permanent funds	-	-	-	64,338	64,338
Total cash basis fund balances	\$ 268,362	89,463	-	150,433	508,258

See notes to financial statements.

City of Ogden

Statement of Cash Receipts, Disbursements and Changes in Cash Balances
Proprietary Funds

As of and for the year ended June 30, 2009

	Enterprise		
	Sewer	Non major	Total
Operating receipts:			
Charges for service	\$ 257,740	\$ 8,486	\$ 266,226
Miscellaneous	-	-	-
Total operating receipts	257,740	8,486	266,226
Operating disbursements:			
Business type activities	273,710	5,380	279,090
Excess (deficiency) of operating receipts over (under) operating disbursements	(15,970)	3,106	(12,864)
Non-operating receipts (disbursements):			
Intergovernmental	-	-	-
Interest on investments	12,643	-	12,643
SRF loan proceeds	-	-	-
Debt service	-	-	-
Total non-operating receipts (disbursements)	12,643	-	12,643
Excess (deficiency) of receipts over (under) disbursements	(3,327)	3,106	(221)
Cash balances beginning of year	435,614	-	435,614
Cash balances end of year	\$ 432,287	\$ 3,106	\$ 435,393
Cash Basis Fund Balances			
Unreserved	\$ 432,287	\$ 3,106	\$ 435,393

See notes to financial statements.

City of Ogden

City of Ogden

Notes to Financial Statements

June 30, 2009

(1) Summary of Significant Accounting Policies

The City of Ogden is a political subdivision of the State of Iowa located in Boone County. It was first incorporated in 1875 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City provides numerous services to citizens, including public safety, public works, health and social services, culture and recreation, community and economic development, and general government services. The City also provides sewer utilities for its citizens.

A. Reporting Entity

For financial reporting purposes, the City of Ogden has included all funds, organizations, agencies, boards, commissions and authorities, except for its component unit, the Ogden Municipal Utilities. The City has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's primary government financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City.

These primary government financial statements present the City of Ogden (the primary government) and exclude the component unit. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City. It has not been included in these primary government financial statements which present the primary government only. Complete financial statements of the individual component unit, which issued separate financial statements as noted below, can be obtained from its administrative office.

Component Unit

The Ogden Municipal Utilities (Utilities) was established to operate the City's electric and water facilities. The Utilities are governed by a three member Board of Trustees appointed by the Mayor and approved by the City Council. Title to all property of the Utilities is held in the name of the City. A financial benefit/burden relationship exists between the City and the Utilities in that the City is authorized by statute to issue general obligation debt for a city utility, and may certify taxes for the payment of the debt.

Jointly Governed Organizations

The City participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards: Community Services Board, Boone County Conservation Board, Paul Lowrey Trust Board, Emergency Management Board, Boone County Endowment, Keep Boone County Beautiful and the Red Rock Area Community Action Board.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Activities and Net Assets reports information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from this statement. Governmental activities, which are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for services.

The Statement of Activities and Net Assets presents the City's nonfiduciary net assets. Net assets are reported in two categories:

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the definition of the preceding category. Unrestricted net assets often have constraints on resources imposed by management, which can be removed or modified.

The Statement of Activities and Net Assets demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those clearly identifiable with a specific function. Program receipts include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest on investments restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program receipts are reported instead as general receipts.

Fund Financial Statements - Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax receipts and other receipts not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating disbursements, the fixed charges and the capital improvement costs that are not paid from other funds.

Special Revenue:

The Road Use Tax Fund is used to account for road construction and maintenance.

The Employee Benefits Fund is used to account for the property taxes collected for the employee benefit levy.

The City reports the following major proprietary fund:

The Sewer Fund accounts for the operation and maintenance of the City's waste water treatment and sanitary sewer system. Also accounted for in this fund are payments of principal and interest on the City's long-term sewer debt.

C. Measurement Focus and Basis of Accounting

The City of Ogden maintains its financial records on the basis of cash receipts and disbursements and the primary government financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the primary government financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general receipts. Thus, when program disbursements are paid, there are both restricted and unrestricted cash basis net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general receipts.

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

D. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2009, disbursements did not exceed the amounts budgeted.

(2) Cash and Pooled Investments

The City's deposits in banks at June 30, 2009 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City

Council; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The City owns 560 shares of \$25 par value common stock of the Ogden Telephone Company, of which 140 shares (\$100 par value) were acquired by donation and another 420 shares were acquired by stock splits. In 1972, when the stock was donated, there was no market value, therefore it is not included in the cash and investments balance.

Although this type of investment is not permitted by the Code of Iowa, it was acquired by donation, therefore the City is not in violation of Chapter 12 of the Code of Iowa. At this time, the City has decided not to dispose of the stock due to market conditions.

Interest rate risk - The City's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the City.

Credit risk - The City's investment in the Ogden Telephone Company stock is unrated.

(3) Loans Payable/Revenue Bonds

On December 15, 2000, the City entered into a loan agreement with City State Bank in the amount of \$130,000. The loan proceeds were used to help pay for the City's new fire truck. The City is obligated to repay the loan in annual installments of \$13,000 plus interest at 6.75% per annum.

On December 10, 2002, the City entered into a loan agreement with City State Bank in the amount of \$203,250. The loan proceeds were used for a storm sewer project. The City is obligated to repay the loan in annual installments in the amounts set forth in the loan agreement, including interest at 4.90% per annum.

Annual debt service requirements to maturity for the City's loans payable and revenue bonds are as follows:

Year Ending	Fire Truck Loan		Storm Sewer Loan		Sewer Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
June 30,								
2010	13,000	1,318	20,325	3,487	75,000	45,150	108,325	49,955
2011	12,566	440	20,325	2,491	77,000	42,900	109,891	45,831
2012	-	-	20,325	1,498	79,000	40,590	99,325	42,088
2013	-	-	20,293	499	82,000	38,220	102,293	38,719
2014	-	-	-	-	84,000	35,760	84,000	35,760
2015-2019	-	-	-	-	460,000	139,380	460,000	139,380
2020-2024	-	-	-	-	532,000	66,270	532,000	66,270
2025	-	-	-	-	116,000	3,480	116,000	3,480
Total	25,566	1,758	81,268	7,975	1,505,000	411,750	1,611,834	421,483

The resolution providing for the issuance of the revenue bonds include the following provisions:

- (a) The bonds will only be redeemed from the future earnings of the enterprise activity and the bond holders hold a lien on the future earnings of the funds.
- (b) Sufficient monthly transfers shall be made to a separate sewer revenue bond sinking account within the Enterprise funds for the purpose of making the bond principal and interest payments when due.
- (c) Once the required transfers to the Sinking fund have been made, all of the remaining net revenues shall be put into a Surplus fund.

The City is not in compliance with these provisions at June 30, 2009.

(4) Pension and Retirement Benefits

The City contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Most regular plan members are required to contribute 4.10% of their annual covered salary and the City is required to contribute 6.35% of covered salary. Certain employees in special risk occupations and the City contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The City's contributions to IPERS for the years ended June 30, 2009, 2008 and 2007 were \$24,564, \$23,720 and \$23,080, respectively, equal to the required contributions for each year.

(5) Compensated Absences

City employees accumulate a limited amount of earned but unused vacation, compensatory and holiday hours for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as disbursements by the City until used or paid. The City's approximate liability for earned vacation and compensatory time payments payable to employees at June 30, 2009, primarily relating to the General Fund, is as follows:

Type of Benefit	Amount
Vacation and compensatory time	\$21,767

This liability has been computed based on rates of pay in effect at June 30, 2009.

Sick leave is payable when used. It is not paid upon termination, retirement or death.

(6) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2009 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue: Employee Benefits	\$ 128,944
Debt Service	General	39,564
Capital Projects: Truck	Special Revenue: Road Use Tax	20,000
Library Hardware/Software	General	25,899
Image Tek Scanning	General	14,816
Police Car	General	10,000
		70,715
Total		\$ 239,223

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to disburse the resources.

(7) Risk Management

The City is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(8) Health Insurance

The City contributes money to a Health Savings Account for each employee to pay a portion of each employee's deductible. Employees on the single plan have a \$2,000 deductible and the City pays \$1,500 of the total. Employees on the family plan have a deductible of \$4,000 and the City pays \$2,500 of the deductible.

(9) Fire Advisory Board

The City, in conjunction with six townships has created the Fire Advisory Board. The Board was established for the primary purpose of providing fire protection. The Board is composed of the Township Trustees, the City's Council members and the Fire Chief.

Township Trustees levy taxes to pay for their portion of the fire based on population, annual average number of calls, and assessed value of real estate in the area served. The Townships reimburse the City for their portion of the expenses, including half of the payments for the fire truck; therefore, the City has an ongoing financial interest.

(10) Related Party Transactions

The City had business transactions between the City and City officials totaling \$1,849 during the year ended June 30, 2009.

Required Supplementary Information

City of Ogden
 Budgetary Comparison Schedule
 of Receipts, Disbursements, and Changes in Balances -
 Budget and Actual (Cash Basis) – All Governmental Funds and Proprietary Funds

Required Supplementary Information

Year ended June 30, 2009

	Governmental Funds Actual	Proprietary Funds Actual	Less Funds Not Required To Be Budgeted	Net
Receipts:				
Property tax	\$ 522,705	-	-	522,705
Other city tax	150,412	-	-	150,412
Licenses and permits	1,530	-	-	1,530
Use of money and property	70,972	12,643	-	83,615
Intergovernmental	223,110	-	-	223,110
Charges for service	23,370	266,226	-	289,596
Miscellaneous	200,018	-	465	199,553
Total receipts	<u>1,192,117</u>	<u>278,869</u>	<u>465</u>	<u>1,470,521</u>
Disbursements:				
Public safety	315,532	-	-	315,532
Public works	282,287	-	-	282,287
Health and social services	14,350	-	-	14,350
Culture and recreation	222,061	-	-	222,061
Community and economic development	27,883	-	-	27,883
General government	149,455	-	-	149,455
Debt service	39,992	-	-	39,992
Capital projects	40,715	-	-	40,715
Business type activities	-	279,090	-	279,090
Total disbursements	<u>1,092,275</u>	<u>279,090</u>	<u>-</u>	<u>1,371,365</u>
Excess (deficiency) of receipts over (under) disbursements	99,842	(221)	465	99,156
Other financing sources, net	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements	99,842	(221)	465	99,156
Balances beginning of year	<u>408,416</u>	<u>435,614</u>	<u>-</u>	<u>844,030</u>
Balances end of year	<u>\$ 508,258</u>	<u>435,393</u>	<u>465</u>	<u>943,186</u>

See accompanying independent auditors' report.

Budgeted Amounts		Final to
Original	Final	Net Variance
515,660	516,089	6,616
143,753	147,253	3,159
1,725	2,075	(545)
122,945	124,447	(40,832)
313,964	390,776	(167,666)
226,700	259,717	29,879
5,000	24,000	175,553
1,329,747	1,464,357	6,164
317,807	339,692	24,160
304,738	288,508	6,221
16,600	16,600	2,250
230,900	237,296	15,235
21,000	37,750	9,867
164,060	157,892	8,437
40,004	40,004	12
48,500	75,800	35,085
234,536	295,435	16,345
1,378,145	1,488,977	117,612
(48,398)	(24,620)	123,776
-	-	-
(48,398)	(24,620)	123,776
1,769,263	3,538,526	(2,694,496)
1,720,865	3,513,906	(2,570,720)

City of Ogden

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2009

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon ten major classes of disbursements known as functions, not by fund or fund type. These ten functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, business type activities and non-program. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds, Permanent Funds and Proprietary Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, one budget amendment increased budgeted receipts by \$134,610 and budgeted disbursements by \$110,832. The budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2009, disbursements did not exceed the amounts budgeted in any functions.

Other Supplementary Information

City of Ogden

Statement of Cash Receipts, Disbursements
and Changes in Cash Balances
Nonmajor Governmental Funds

As of and for the year ended June 30, 2009

		Capital	
	Debt Service	Police Car	Truck
Receipts:			
Property tax	\$ 428	-	-
Intergovernmental	-	-	-
Miscellaneous	-	-	-
Total receipts	428	-	-
Disbursements:			
Debt Service	39,992	-	-
Capital projects	-	-	-
Total disbursements	39,992	-	-
Excess (deficiency) of receipts over (under) disbursements	(39,564)	-	-
Other financing sources (uses):			
Operating transfers in	39,564	10,000	20,000
Operating transfers out	-	-	-
Total other financing sources (uses)	39,564	10,000	20,000
Net change in cash balances	-	10,000	20,000
Cash balances beginning of year	-	20,000	20,199
Cash balances end of year	\$ -	30,000	40,199
Cash Basis Fund Balances			
Reserved:			
Debt service	\$ -	-	-
Unreserved:			
Capital projects funds	-	30,000	40,199
Permanent fund	-	-	-
Special Revenue	-	-	-
Total cash basis fund balances	\$ -	30,000	40,199

See accompanying independent auditors' report.

Projects				Permanent		Total
Playground Equipment	Library Hardware/ Software	ImageTek Scanning	Park Improvements	Cemetery Perpetual Care	Cemetery Mausoleum	
-	-	-	-	-	-	428
-	-	-	-	-	-	-
5,000	-	-	-	465	-	5,465
5,000	-	-	-	465	-	5,893
-	-	-	-	-	-	39,992
-	25,899	14,816	-	-	-	40,715
-	25,899	14,816	-	-	-	80,707
5,000	(25,899)	(14,816)	-	465	-	(74,814)
-	25,899	14,816	-	-	-	110,279
-	-	-	-	-	-	-
-	25,899	14,816	-	-	-	110,279
5,000	-	-	-	465	-	35,465
-	-	-	10,896	46,411	17,462	114,968
5,000	-	-	10,896	46,876	17,462	150,433
-	-	-	-	-	-	-
5,000	-	-	10,896	-	-	86,095
-	-	-	-	46,876	17,462	64,338
-	-	-	-	-	-	-
5,000	-	-	10,896	46,876	17,462	150,433

City of Ogden

Statement of Cash Receipts, Disbursements
and Changes in Cash Balances
Nonmajor Governmental Funds

As of and for the year ended June 30, 2009

	<u>Enterprise</u> <u>Storm</u> <u>Water</u>
Operating receipts:	
Charges for service	\$ 8,486
Operating disbursements:	
Business type activities	<u>5,380</u>
Excess (deficiency) of operating receipts over (under) operating disbursements	3,106
Cash balances beginning of year	<u>-</u>
Cash balances end of year	<u>\$ 3,106</u>
Cash Basis Fund Balances	
Unreserved	<u>\$ 3,106</u>

See accompanying independent auditor's report.

City of Ogden
Schedule of Indebtedness
Year ended June 30, 2009

Obligation	Date of Issue	Interest Rates	Amount Originally Issued
General Obligation:			
Fire truck	Dec. 15, 2000	6.75%	\$ 130,000
Storm sewer	Dec. 10, 2002	4.90	203,250
Revenue Bonds:			
Sewer	Jun. 1, 2004	3.00%	\$ 2,000,000

See accompanying independent auditors' report.

Balance Beginning of Year	Issued During Year	Redeemed During Year	Balance End of Year	Interest Paid	Interest Due and Unpaid
38,566	-	13,000	25,566	2,155	-
101,625	-	20,357	81,268	4,480	-
<u>\$ 140,191</u>	<u>-</u>	<u>33,357</u>	<u>106,834</u>	<u>6,635</u>	<u>-</u>
<u>\$ 1,578,000</u>	<u>-</u>	<u>73,000</u>	<u>1,505,000</u>	<u>47,340</u>	<u>-</u>

City of Ogden
Bond and Note Maturities
Year ended June 30, 2009

Year Ending June 30,	General Obligation Loans Payable				
	Fire Truck		Storm Sewer		Total
	Issued Dec 15, 2000		Issued Dec 10, 2002		
	Interest		Interest		
	Rates	Amount	Rate	Amount	
2010	6.75%	\$ 13,000	4.90%	\$ 20,325	\$ 33,325
2011	6.75%	12,566	4.90%	20,325	32,891
2012	-	-	4.90%	20,325	20,325
2013	-	-	4.90%	20,293	20,293
Total		<u>\$ 25,566</u>		<u>\$ 81,268</u>	<u>\$ 106,834</u>

Year Ending June 30,	Sewer	
	Revenue Bonds	
	Issued Jun 1, 2004	
	Interest	
	Rates	Amount
2010	3.00%	75,000
2011	3.00%	77,000
2012	3.00%	79,000
2013	3.00%	82,000
2014	3.00%	84,000
2015-2019	3.00%	460,000
2020-2024	3.00%	532,000
2025	3.00%	116,000
Total		<u>\$ 1,505,000</u>

See accompanying independent auditors' report.

City of Ogden

Schedule of Receipts By Source and Disbursements By Function -
All Governmental Funds

For the Last Six Years

	2009	2008	2007	2006	2005	2004
Receipts:						
Property tax	\$ 522,705	\$ 542,778	\$ 513,041	\$ 440,930	\$ 422,512	\$ 438,019
Other city tax	150,412	147,074	144,706	133,148	129,426	133,289
Licenses and permits	1,530	5,835	1,973	2,333	2,182	2,422
Use of money and property	70,972	66,632	71,988	65,548	60,759	49,594
Intergovernmental	223,110	281,280	344,258	278,747	253,185	356,246
Charges for service	23,370	25,934	24,312	19,449	2,893	707
Miscellaneous	200,018	104,908	116,923	119,445	83,126	83,796
Total	<u>\$ 1,192,117</u>	<u>\$ 1,174,441</u>	<u>\$ 1,217,201</u>	<u>\$ 1,059,600</u>	<u>\$ 954,083</u>	<u>\$ 1,064,073</u>
Disbursements:						
Operating:						
Public safety	\$ 315,532	\$ 295,791	\$ 266,310	\$ 251,493	\$ 234,982	\$ 218,541
Public works	282,287	286,326	264,942	298,880	271,223	244,698
Health and social services	14,350	15,850	16,450	16,050	16,600	16,922
Culture and recreation	222,061	248,162	225,460	214,797	165,513	139,866
Community and economic development	27,883	68,173	142,569	85,099	17,829	42,653
General government	149,455	167,770	144,145	137,328	137,668	124,161
Debt service	39,992	70,355	74,012	77,432	80,382	84,015
Capital projects	40,715	14,295	147,238	75,872	158,942	182,988
Total	<u>\$ 1,092,275</u>	<u>\$ 1,166,722</u>	<u>\$ 1,281,126</u>	<u>\$ 1,156,951</u>	<u>\$ 1,083,139</u>	<u>\$ 1,053,844</u>

See accompanying independent auditors' report.

Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards

City of Ogden

Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed
In Accordance with Government Auditing Standards

To the Honorable Mayor and
Members of the City Council:

We have audited the primary government financial statements of the City of Ogden, Iowa, as of and for the year ended June 30, 2009, and have issued our report thereon dated August 14, 2009. Our report expressed an unqualified opinion on the primary government financial statements which were prepared in conformity with an other comprehensive basis of accounting. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Ogden's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the City of Ogden's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Ogden's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies, including deficiencies we consider to be material weaknesses.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Ogden's ability to initiate, authorize, record, process, or report financial data reliably in accordance with an other comprehensive basis of accounting such that there is more than a remote likelihood a misstatement of the City of Ogden's financial statements that is more than inconsequential will not be prevented or detected by the City of Ogden's internal control. We consider the deficiencies in internal control described in Part II of the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by the City of Ogden's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would

not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we believe items II-A-09 and II-B-09 are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Ogden's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters that are described in Part III of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2009 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes

The City of Ogden's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the City's responses, we did not audit the City's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the City of Ogden and other parties to whom the City of Ogden may report including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City of Ogden during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Cline DeVries & Allen, LLP
August 14, 2009
Ames, Iowa

City of Ogden
Schedule of Findings
Year ended June 30, 2009

Part I: Summary of the Independent Auditors' Results:

- (a) Unqualified opinions were issued on the financial statements which were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.
- (b) A significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements, including two material weaknesses.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.

City of Ogden
Schedule of Findings
Year ended June 30, 2009

Part II: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

SIGNIFICANT DEFICIENCIES:

- II-A-09 Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. We noted that certain functions are not entirely segregated.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the City should review its control procedures to obtain the maximum internal control possible under the circumstances.

Response – We will consider this.

Conclusion – Response acknowledged. The City should segregate duties to the extent possible with existing personnel and utilize administrative personnel to provide additional control through review of financial transactions and reports.

- II-B-09 Fire Department and First Responders – Neither of these department's bank account balances or receipts and disbursements for the year are being reported in the City's financial records. Chapter 384.20 of the Code of Iowa states that "A city shall keep accounts which show an accurate and detailed statement of all public funds collected, received or expended for any city purpose, by any city officer, employee or other person and which show the receipt, use and disposition of all city property.

Recommendation – The City should take over the responsibility for budgeting, accounting, and reporting these funds.

Response – The City is working to make this transition by January 1, 2010.

Conclusion – Response accepted.

City of Ogden
Schedule of Findings

Year ended June 30, 2009

Part III: Other Findings Related to Statutory Reporting:

- III-A-09 Certified Budget – Disbursements during the year ended June 30, 2009 did not exceed the amounts budgeted.
- III-B-09 Questionable Disbursements – No disbursements were noted that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- III-C-09 Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.
- III-D-09 Business Transactions – Business transactions between the City and City officials or employees were noted as follows:

<u>Name, Title and Business Connection</u>	<u>Description:</u>	<u>Amount:</u>
Lyle Conklin, Council Member	Mowing	\$1,749
Sean Thompson, Council Member	Umpire	100

In accordance with Chapter 362.5(11) of the Code of Iowa, the transactions with the Council Members do not appear to represent a conflict of interest because the total of the transactions did not exceed \$2,500 per individual during the fiscal year.

- III-E-09 Bond Coverage – Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- III-F-09 Council Minutes – No transactions were found that we believe should have been approved in the Council minutes but were not.
- III-G-09 Deposits and Investments – The City's investment policy is in compliance with the provisions of Chapter 12B and 12C of the Code of Iowa.

City of Ogden

Schedule of Findings

Year ended June 30, 2009

- III-H-09 Telephone Company Stock – The City owns 560 shares of \$100 par value common stock of the Ogden Telephone Company, of which 140 shares were acquired by donation and another 420 shares were acquired by stock splits.

Although this type of investment is not permitted by the Code of Iowa, it was acquired by donation, therefore the City is not in violation of Chapter 12 of the Code of Iowa. The stock is not readily marketable, and thus no market value of the shares is determinable.

- III-I-09 Revenue Bonds – The City is not in compliance with the provisions of the Sewer Revenue Bonds. The Sewer Sinking fund does not meet the minimum required balance as of June 30, 2008. Also, the resolution requires a net revenue test to be met and the City is not meeting the minimum net revenue amount as established in the bond resolution.

Recommendation – The City should make a transfer to the sinking fund to bring it up to the minimum balance as required. The City should also review the sewer charges being assessed and the budgeted expenditures to determine if the charges need to be increased.

Response – We are currently in the process of passing an ordinance to increase sewer rates. We are also establishing a storm sewer assessment monthly charge and a separate storm sewer account to pay future expenses out of the separate account.

Conclusion – Response accepted.